

Computer error left unchecked for eight years results in 25 factory workers being underpaid \$45,000

15 August 2015

A computer error has resulted in 25 factory workers at Nambucca Heads on the NSW North Coast being short-changed their leave entitlements for eight years.

The male workers, aged between 20 and 60, were inadvertently underpaid a total of \$45,000 between 2007 and 2015.

A Fair Work Ombudsman investigation found that the business had set up its wages system incorrectly, resulting in ongoing miscalculations of leave accruals, leave loading and superannuation entitlements.

The mistake only came to light after the wife of one of the workers contacted the Fair Work Ombudsman for advice after tiring of listening to her husband's grievances.

Fair Work inspectors discovered that 11 current and 14 former employees were underpaid.

The system error failed to calculate almost 1100 hours of annual leave and about 1300 hours of sick leave.

One current employee was short-changed almost a year's worth of annual leave entitlements.

After being contacted by Fair Work inspectors, the employer promptly rectified the issue.

Fair Work Ombudsman Natalie James says the matter illustrates what can happen when a wages system isn't installed and programmed correctly in the first instance.

"A mistake made eight years ago has now resulted in this business having to find \$45,000 that it had not budgeted for," she said.

Ms James says it highlights the importance of employers taking the time to ensure they understand their workplace obligations and to seek advice and assistance where necessary.

She encouraged employers who had any uncertainty about whether their workplace practices were appropriate to visit the Fair Work Ombudsman website at www.fairwork.gov.au.

"When we find mistakes, our preference is to educate employers about their obligations and assist them to put processes in place to ensure the errors are not repeated," Ms James said.

Other recent recoveries on the North Coast include:

- \$10,000 for a 21-year-old apprentice spray painter at a mechanical repair business in Coffs Harbour short-changed his minimum hourly rate of pay and termination entitlements, and
- \$5400 for a clerical worker at an accommodation venue in Coffs Harbour incorrectly classified and underpaid her minimum hourly rate, leave loading and termination entitlements.

Employers and employees seeking information and advice can visit the website or call the Fair Work Infoline on 13 13 94. A free interpreter service for those from non-English speaking backgrounds is available by calling 13 14 50.

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Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

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